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Vol. 2 OF 3

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

R2829

The United States Senate

Report of Proceedings

Hearing held before

Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities

324-4

Wednesday, March 10, 1976

Washington, D.C.

(Stenotype Tape and Waste turned over to the Committee for destruction)

WARD & PAUL
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TOP SECRET

FOREIGN AND MILITARY SUBCOMMITTEE MEETING

- - -

Wednesday, March 10, 1976

- - -

United States Senate,

Select Committee to Study Governmental

Operations with Respect to

Intelligence Activities,

Washington, D. C.

The Committee met, pursuant to notice, at 2:45 o'clock p.m., in Room S-407, the Capitol, the Honorable Walter D. Huddleston presiding.

Present: Senators Huddleston (presiding), Hart of Colorado and Mathias.

Staff: William G. Miller, Staff Director, and David Aaron, Joseph diGenova, Lynn Davis, William Bader, Elizabeth Culbreath, Charles Kirbow, Rick Inderfurth, Pat Shea, Elliot Maxwell and Al Quanbeck, Professional Staff Members,

And then the question is whether or not there is a prohibition on printing in the English language.

Mr. Bader. And as I heard the consensus this morning, we would not move to that recommendation for a prohibition. I did not hear whether on the distribution this would be by law, though I took it it was to be by law, though I can be corrected on that. I don't think we addressed that this morning.

Mr. Kirbow. Mr. Chairman, on these that we considered to be rather -- that we have a fairly light record on or that we are not too sure what the future holds, one of the members that I rode over with on the car suggested that perhaps in those instances we could recommend fairly strongly whatever we want the followon people to do to ensure that the recommendation does not create havoc within the Agency or does not leave the rights of citizens unprotected.

But that is not a cop out. It is something that you frequently do, say, let us reserve this for the permanent oversight committee or for whatever other group. We may have all the information we need.

Senator Huddleston. Let them make the determination whether or not it should be a statute.

Mr.Kirbow. Determine whether in the law whether it is working all right under the set of regulations.

Mr. Bader. Mr. Chairman, may I say in this instance in the publishing trade there is no lack of record? The evidence

P R O C E E D I N G S

Senator Huddleston. I call the Committee to order.

Mr. Aaron. I believe Bill Bader had the temerity to summarize where we stand.

Mr. Bader. Mr. Chairman, where I think we are at the moment is taking the three major issues before the Subcommittee in the order they were presented, and discussed this morning, the first being the academic issue, and as I heard the Subcommittee this morning, then I will have another go at the options, give enough options in the option paper and bring it back before the Committee for a further look before we go on.

Senator Huddleston. By Friday.

Mr. Bader. By Friday, without question.

I think by this time we will all have -- we will try to include a positive option, that is to say, to approve if not applaud the expanded efforts of FRD to undertake these activities, or at least to endorse them.

Now, going to the second was the covert use of books and publishing houses. We discussed two recommendations: one which I believe here the Committee has agreed to, and that is a prohibition on the distribution or subsidy of any books, magazines or other publications not attributed to the CIA inside the United States.

Senator Huddleston. I think we can all accept that, can't we.

and inquiry into it has been thorough, and I think we know this well. There is no dispute from the Agency.

Senator Huddleston. Well, is the law inconsistent with the statute on the information service?

Mr. Bader. It is the same thing. I would recommend, Mr. Chairman, that this would be by law, by statute.

Senator Huddleston. On the publication.

Mr. Bader. On the publication.

Senator Mathias. I would support that.

Senator Huddleston. I think Gary Hart would also, so I think we will make that recommendation, that this one on the academics is the one we are not sure of.

Mr. Bader. That's the one we would go forward with, and now we are moving to -- I would also reiterate that in our session the other night, I took it as agreement that the recommendation by statute the CIA should be prohibited from making operational use of all educational and cultural grantees of all U.S. Government sponsored programs, this was the issue which was raised of government funded programs such as the Fulbright program.

Senator Huddleston. And that's either already a regulation or a directive or something to that effect.

Mr. Aaron. Certain categories.

Mr. Bader. Certain categories.

Mr. Kirbow. That is brand new ground.

Mr. diGenova. The John McCloy exceptions to that rule, they are the only ones that are protected.

Mr. Aaron. That justifies Charles' view that there are some similarities between Ford Foundation and Government sponsored activities.

Mr. Bader. Where our discussion was left before lunch was on the question of the covert use of U.S. journalists and media institutions, and as it was laid out, it was indicated that the CIA's intended internal prohibition on the use of the media extended to the internal prohibitions on the use, operational use of individuals, American and foreign, who were accredited to American media organizations.

As I heard it this morning, what we were discussing and moving to was to extend that prohibition to cover all American individuals and media organizations, and that the question then was whether this would be recommended to be something done in law or a recommendation, or an insistence, if you will, to the Agency that it further amend its internal directives, its 50-10, to put all media personnel, American media personnel on the prohibited list, and that is I think where we were.

Senator Huddleston. I think that's an accurate statement. That's where we were.

I had expressed a thought that I thought that it ought to be expanded to include all, but we should hold off on the statute business for the time being.

Senator Mathias. My role here seems to be the Devil's advocate.

Senator Huddleston. Good.

Senator Mathias. There is no question about the writing American press or the value in print domestically. Maybe the role, any legitimate role that news men could, journalists, writers could fulfill is available through the information agencies, USIA and groups of that sort.

So does anybody know whether there is any real need for allowing some latitude, which is not covered by situations that can be envisioned under USIA or other programs?

Mr. Kirbow. Well, Senator, the one that I discussed earlier that I probably didn't make my point well because no one seemed to have picked it up, is we do, by the words here, if I understand Mr. Bader, prohibit an American citizen living in Brussels and working for a local newspaper there from having anything to do with the CIA.

Senator Huddleston. No we don't, do we?

You mean by his extension?

Mr. Kirbow. Yes, sir.

Senator Huddleston. But not by --

Mr. Kirbow. But wasn't that what you wanted to put in the law, that you didn't know if you wanted --

Senator Mathias. This is the point I wanted to raise here.

Mr. Kirbow. That kind of relationship is something that we should stay away from because I don't see any harm in it, nor do I think the record demonstrates any harm in it. I don't see -- I don't know how in the world this person doing that taints the minds of the American reading public, which is apparently what you are trying -- you're not trying to protect the newsman. You are trying to protect the reader who doesn't know that what he's getting is being spoonfed to him from the CIA, and I don't know why we would be so concerned about protecting newsmen from working, or prohibiting them from working, because I think they have a right to do that as American citizens, just as they do to work with the Department of Defense or any other agency.

Mr. Bader. You would then rescind the Agency's standing prohibition?

Mr. Kirbow. I just don't think you ever prohibit it in law.

Mr. diGenova. Are you talking about an affiliated, accredited journalist, because that's what the Agency regulation deals with. It doesn't deal with an American citizen. It deals with an accredited person, whether he is a foreign national or an American.

Mr. Bader. To an American media organization.

Mr. diGenova. But that's not the example Charles gave you.

Mr. Kirbow. Well, perhaps I misunderstand the extension that you, your full recommendation.

Do you want to go beyond where the administration is in their position?

Mr. Bader. I am recommending to go beyond where the Administration is at this stage, to extend the operational prohibition on the part of CIA to use American -- Americans in the media --

Mr. Kirbow. Wherever located.

Mr. Bader. Where they are using them undercover, at this stage, to the extent that it is a cover proposition.

Senator Huddleston. Even if they are in foreign media?

Mr. Bader. Yes, sir.

Senator Huddleston. And even though all of their activities are related to foreign; they are not writing for American news services.

Mr. Bader. Alternately, they could be with American media organizations.

Mr. Kirbow. Mr. Chairman, I don't think there is a single shred of evidence on our record that that is in any way wrong-doing or in any way adversely affects the rights of American citizens. Clearly it will prohibit or could prohibit in the future the proper use of an individual that could be essential to the intelligence collection processes of the CIA, and it singles out a specific agency which is not doing any harm to

the American citizenry, and says no, you cannot do this because you happen to be a secret organization.

Senator Mathias. If I wanted to do it, Charlie, I think I could work out a scheme. I would hire a prominent American columnist to go and live in Paris, as Art Buchwald did, for example.

Mr. Kirbow. And to pick off his columns and run them in the New York Times.

Senator Mathias. And run them in the Paris Trib first, and then let the domestic press pick him up.

Mr. Kirbow. But if he's in the Paris Trib, that's an affiliated U.S. --

Mr. Aaron. Well, suppose he writes for the Financial Times?

Senator Mathias. Well, you could work out an echo program if you wanted.

Senator Huddleston. Well, the basic point, instead of picking instances, it seems to me, is whether or not as an official policy of the United States Government we want an institution such as the press with all it means and all it is supposed to be in American with its constitutional provisions and whatever, to be subverted to the secret, clandestine operation that it can. Anytime we put any prohibition anywhere, we are eliminating somebody as a potential agent. You can't use that as a guideline.

Mr. Kirbow. These people are not necessarily subverted.

Senator Huddleston. I'm talking about the institution of the free press being subverted, not the individual.

Mr. Kirbow. I'll extend that one further. I don't see how using them for cover, which has no direct effect, like the example I guess you gave, Senator, of a vice president of a bureau of some sort who has nothing to do with the writing or editing or anything; he is the business head of the operation just like any other corporation. This thing extends to that.

Senator Huddleston. He may have something do with the selection of the people who do write.

Mr. Kirbow. Well, if you could give us an abuse that we are trying to correct, or some reason for it?

Mr. Bader. It's not a question of abuse, it's a question of the use, the operational use of an institution such as the press for operational purposes.

Mr. Kirbow. Well, explain then, and perhaps I'm going -- explain the sanctity of the press if it is not to protect an uninformed reader from having his mind tainted by the relationship. What is the sanctity of the press as an organization?

It is not sanctity like the church and state. I just don't see the record for this.

Senator Huddleston. Well, the clergy and the press I think are institutions.

Mr. Kirbow. Well, I think the clergy and maybe the

academic, like you say, that teaches the student directly, but a businessman who happens to have elected going into the business of running a newspaper or a magazine, to be singled out and say you as a patriotic American are proscribed against doing any business, and if you are going to do it with an agency, you should do it with the whole United States Government. I don't see how we can single out the CIA and not single out military or FBI.

Mr. Aaron. Well, I think the domestic group will have -- may well have some recommendations regarding the FBI's covert use of American media.

Mr. Kirbow. Well, domestic media, obviously.

Mr. Aaron. I would like to say, to take Charles' example of an American working for a foreign press, and what the problem is. I think the problem is that you have two kinds of problems with the press. One is the fact, if it is operating domestically, if it is working for American media institutions, it is clear that they are subject to some manipulation or at least questionable manipulation, and there are issues in people's minds as to its integrity.

Now, the question goes beyond that to what about people who might be working for some foreign -- American journalists, American writers or what have you, working for foreign media institutions. There you have a somewhat more extended situation. But it seems to me that what you have is the

possibility of the American press getting discredited, having problems of being able to perform its normal functions in the world and performing in the United States because it is part of a clandestine intelligence organization.

Mr. Kirbow. Don't you think that's an individual right that a person has the right to exercise both ways, instead of one way?

Mr. Aaron. Charles, what I think I have told the Committee, I have a real problem with the concept of the American people having the right to spy, somehow, and these prohibitions don't go to what people are allowed to do on the outset. They go to what the Government is allowed to do.

Mr. Maxwell. Well, let's take a different kind of example.

What would happen if in some way -- and it's not, I think, impossible to imagine -- an American citizen was writing full time for the Communist Party paper in Italy or Portugal or France.

Now, that obviously would be covered by the example that Bill has provided as a prohibition.

There are two questions. One is whether the person has any real operational use that you want to preserve, and second, whether it goes to the question that David presents, which is the possible contamination of the American press, which seems a difficult extension in that example, as well as the possibility

of distortion, the flowback problem in America.

And the second problem seems to be, with an example like that, is that it seems to -- there is very little stock in the argument, because the argument about distortion of what goes on in foreign countries and people's perceptions is at the heart of the question of whether the CIA or any government agency should be engaged in- propaganda, because it is quite possible the propaganda gets picked up in the same way, and the question is obviously of line drawing: how do you want to draw the line.

It strikes me that there may be better ways to draw the line than the suggested prohibition that Bill has for any American, regardless of status, or who they write for or what they are doing.

Mr. Kirbow. By having citizenship as an American --

Mr. Bader. Well, you misunderstood me. I was putting out the various possibilities.

Let's turn to the text for just a moment and maybe that will help.

First turn to 61. Let's try to get some idea of what the problem is before we get to the semantics of it. All right, just let me go through this, then we'll see what is actually being recommended here.

I have confused you, obviously, by giving a series of possibilities, not what the recommendations are.

"Ten U.S. news organizations and five U.S. publishing houses provide cover for CIA agents abroad. Four of the organizations do not know that they provide this cover."

Then there are some examples.

Mr. Kirbow. Meaning management or individual?

Mr. Bader. Management.

Mr. Kirbow. At any level.

Mr. Bader. At any level.

Mr. Kirbow. All right.

Mr. Bader. Then there are some examples of the kinds of relationships that the CIA officer engages in intelligence collection under cover as a roving international news correspondent, a CIA officer under cover as a European representative of an American company while working as a stringer for a United States publication engages in intelligence collection and covert action. In this case the company is aware of the CIA relationship while the publication is not. Bona fide journalists who regularly provide the CIA with intelligence, some are paid regularly while others are not. In one case the journalist is apparently not aware that the U.S. embassy official to whom he is providing information is actually a CIA officer.

Now, what the recommendation here on 64, or the bracketed recommendations -- and I'm sorry I created this situation by giving various options -- by statute the CIA should be

prohibited from using American media organizations for cover. That is the extent of it.

What is the trouble, Joe?

Mr. diGenova. That seems to be somewhat -- that seems to be a back-off from what the Agency prohibits as well. I mean do you want to make a recommendation saying that the Agency's prohibition against using Americans who are accredited --

Mr. Bader. No.

This is the additive. The recommendation here is to take the Agency's prohibitions which go to the question of American and foreign journalists, accredited to American media organizations, and extend it to what is not covered under those prohibitions, which is the use of these American media organizations for cover purposes.

Mr. Maxwell. Is it clear that people who are in media organizations are not accredited to those organizations?

Mr. Aaron. If they were, then they would be covered. If they are accredited journalists, then they would not.

Mr. Maxwell. So the issue is whether individuals who don't write --

Mr. Aaron. But may edit.

Mr. Maxwell. But may edit.

Ms. Culbreath. Or may type it up.

Mr. Aaron. Or may type it up.

Mr. Kirbow. Well, is this the same point that we're

talking about less than 25 people, where you are going to make a statutory prohibition against use of all people in that category because on page 61 it says, "of the 65 Americans employed by the CIA in the media field, only a little over one third are journalists; another third are CIA agents operating under media cover, and the remaining individuals are either employed as CIA media proprietaries abroad or are propaganda writers and consultants."

So we are really talking about making a major prohibition against a segment of our society where at the present time there is less than 25 people who have any direct contact with the reading mind, apparently.

Senator Hart of Colordado. I think, Charlie, it's called a principle. If it was only one person, you've still got the problem. I don't think it is the quantity.

Ms. Davis. Bill, in your examples on 61, the first one at the bottom, would that now be covered under your prohibition? CIA officer engages in intelligence collection under cover as a roving international news correspondent?

Mr. Bader. I can't remember from the text here whether the man is accredited or not.

If he is accredited, it would be covered.

Ms. Davis. If not, he is not additionally covered by your prohibition.

Senator Huddleston. This does not extend to the example

that you gave, Charlie.

Mr. Kirbow. No, sir, it doesn't here.

Mr. Bader. Only if he is affiliated with that group.

Mr. Kirbow. His affiliation covers anybody who is an American citizen is forever and hereafter would be prohibited, if it goes into the statute, from dealing.

Mr. diGenova. That's only one of the possibilities.

Mr. Kirbow. That's one of those recommendations based on investigation.

Mr. Bader. I wasn't recommending that. I was saying that was one of the possibilities of the whole list.

Senator Huddleston. But the recommendation at the top of 64 doesn't cover an American citizen who is using the foreign media as cover.

Mr. Bader. This would not cover an American citizen who is, let's say, is working for Stompe, or Le Monde, and who is not accredited, and at the same time is not accredited to an American media organization.

It does not cover an American citizen who is a stringer to a Latin American newspaper unless he is accredited to an American media organization.

Mr. Kirbow. Let me try one more time, then, to state the position of not Senator Tower in this case, but another Senator, as I indicated, spoke to me on this very subject,and indicate to you that we not do to harm or to prevent the use by the

agency of certain people unless in some way that use affects the rights and/or in some vague way affects the mental processes to the detriment of the American citizenry, that we don't concern ourselves with passing laws to protect the person who reads something that these people do. If you do this, you open that can of worms which gets you into a prohibition against any work in the press or elsewhere in a propaganda fashion.

Now, the Committee may decide that propaganda is in fact something that we should prohibit by law, but doing this piecemeal like this, it does just exactly that. I see nothing in our record that indicates that the use of certain of these people overseas or for cover in any way -- there is not any evidence that it has adversely affected the rights of the citizens of the United States. There is a potential for abuse in practically anything secret and covert.

Senator Huddleston. I don't believe the recommendation at the top of page 64 violates what you have just said.

Mr. Maxwell. I would not think that --

Mr. Kirbow. Well, it says, Mr. Chairman, that by statute, by statute, which means by law, the CIA should be prohibited from using American media organizations for cover. We apparently have 65 people, a portion of which are being used for cover, and apparently they consider them to be an essential asset, or they wouldn't be using them.

Is that correct, Mr. Bader?

Mr. Bader. The CIA?

Mr. Kirbow. Yes.

Mr. Bader. I would assume that they would have extended their prohibition to this, or on the other hand one could argue I don't know what their motives were. It could have been they felt that this, the first step they took was the one that was dealing with what the public was demanding.

Mr. Kirbow. Well, I really don't see anything in our record or any evidence that they have given us or anything other than a staff position on this which we are trying to sell the Committee that this is a harmful procedure.

Senator Huddleston. What this does is extends beyond the practice of journalists to any other person, be it an executive or clerk or typist or whatever, on the assumption that you can't be a little bit pregnant. If the agency is going to be subverted anywhere, not the agency, if the institution of the press is, that it is going to be subverted.

Mr. Bader. Mr. Chairman, the Agency has accepted the basic principle, because it has removed from its list of operational assets a rather larger number than this would call for.

Mr. Kirbow. But if I hear correctly what you are saying then, we are out to protect the American media from being made pregnant by the CIA and not worrying at all about the reading public or the other, but just the media.

Senator Huddleston. The assumption is if the media of the press is subverted, that it will affect the citizens, or they will suffer.

Senator Hart of Colorado. Mr. Chairman, in the interest of expedition, I move the passage of these three recommendations.

Senator Huddleston. All right. Let's see what the three are.

Mr. Aaron. Well, let me summarize the first one. I think we have agreed the first is that the prohibition on distribution of CIA funded, supported, subsidized and so forth, that that be prohibited within the United States.

Mr. Inderfurth. Printed.

Mr. Kirbow. Excuse me. Not printed.

Mr. Aaron. The word "printed" dropped out for the following reason. One, it makes it easier to prohibit the distribution if you don't identify where the printing is taking place, and secondly, while there is no printing going on here, the question really goes to distribution. I think that was the concurrence of the Committee.

The second point is that the prohibitions of -- that the Agency now has upon itself, be made law.

Mr. diGenova. On the use of media personnel and institutions?

Mr. Aaron. On the use of media personnel and institutions, and the third point is that it be extended to say by statute

the CIA should be prohibited from using American media organizations for cover.

Senator Huddleston. Well, the style of this ought to be changed, it seems to me, because one of the recommendations, instead of listed under recommendations, is the last paragraph on 63, is that correct?

Mr. Aaron. Yes, that would be picked up as a recommendation, that is correct.

Mr. diGenova. Plus the other one, which is not on 64.

Mr. Aaron. Well, the one on 64, the bottom one comes out.

end 1a
begin 1b

Senator Huddleston. Right.

Senator Mathias. Before you leave that, as a matter of record, I am requested to note an exception on behalf of minority.

Mr. Aaron. The second section was the covert use of American clergy and laity. This is on Page 64.

Senator Huddleston. Was that included in your motion?

Senator Hart of Colorado. No.

Mr. Aaron. I think that covers the recommendation.

Mr. Maxwell. They hadn't discussed whether it should be made public.

Senator Huddleston. Well, if it becomes a statute, it becomes public.

Mr. Inderfurth. But the statute will remain secret.

Mr. Aaron. No, we are ready to move on it, to covert

use of American clergy and laity.

Senator Huddleston. Well, the covert action is with the noted exception, those recommendations go before the Committee.

Senator Hart of Colorado. Just for clarification, Mac, is that the entire minority or what?

Senator Mathias. No, it's only one member.

Senator Huddleston. Now we are ready to deal with the clergy.

Mr. Aaron. The point here is, I think, the CIA takes the position that it has no covert arrangements with American clergy and laity, and that this will continue as policy, but they have relationship of a clandestine character which don't involve remuneration.

Senator Huddleston. Incidentally, is that a new policy?

Mr. Bader. Yes, as of February 10, 1976.

Mr. Aaron. It's pretty short. This is the sum total of our findings, and it explains it better than I can.

Mr. Bader. This has not been, obviously you can see, Senator and members of the Committee, from the text that the Committee has found the CIA has a total of 14 covert arrangements involving direct operational use of 21, that should be religious persons, and I found it very difficult in this to properly or respectively address the category here, whether they are American clergy, regligious persons, or what. It is a term of art I

really haven't quite been able to deal with.

As of February 10th, the CIA announced that the CIA has not secret paid or contractual relationships with an American clergyman or missionary. This practice will be continued as a matter of policy.

Senator Huddleston. I think we ought to clarify that religious persons. That would include Chuck Colson.

Mr. Bader. The issue here is, we are saying in the first instance, we welcome this policy which they intend to put into their operational prohibitions, and the recommendation that we bring to you is a very simple one, in addition to that, is that it be extended from contractual to all operational relationships, paid and unpaid.

Senator Huddleston. By statute.

Mr. Bader. By statute.

Mr. Inderfurth. May I ask a question here?

How does this conform to Senator Hatfield's bill on this?

Mr. Bader. I don't know.

Mr.Inderfurth. I don't know. I'll get a copy of it, but I think to the degree possible, if the committee recommends by statute a prohibition, it should be made to conform to that because he has put in a great deal of work on that, or without knowing the facts, I might add.

Mr. Kirbow. The other thing is the Committee may want to support legislation that is already pending.

Mr. Maxwell. What is the nature of the covert relationship with religious persons now in effect?

Senator Mathias. A few patriotic volunteers.

Mr. Bader. Patriotic volunteers, at least one of them, from the operational records.

I think, too, they have what is called a memorandum of agreement which is not contractual in the sense that it involves paid or unpaid.

Mr. Maxwell. What are they doing?

Mr. Bader. They collect intelligence information.

Mr. Kirbow. What is a religious person, Mr. Bader, as they use it or as you use it here?

Would that mean the organ player that is a civilian who travels with a preacher and plays the organ?

Mr. Bader. No. It is intended to be the American clergy, although I certainly would lean on whoever can tell me what a proper term is to define American clergy.

Senator Mathias. What about this fellow around, Maharaja Rani?

Senator Huddleston. I'll think on your defintion.

Mr. Bader. I think we'll have to have a footnote as to what American clergy may be.

Mr. diGenova. American clergy or missionaries, certainly.

Senator Huddleston. Well, missionary gets a little fuzzy.

Mr. Bader. The Agency uses "American clergy or missionary."

Senator Huddleston. It has to be a person whose primary occupation is for a religious order or sect or something, it seems to me.

Mr. Kirbow. How about the Mormon youth who do their things overseas?

Would this take care of them and prevent them from getting gobbled up?

Senator Huddleston. I think that's a good question. They receive no pay.

Mr. Kirbow. They are not church people, per se. It is part of their religion, doing the service. You see, this gets tobe a rather broad extension, or you leave out certain things if you are not careful with your definition.

Senator Huddleston. I think there may be somewhere in our litany a definition. I am not sure.

Mr. Inderfurth. I would imagine that Senator Hatfield's bill, a definition of what clergy -- that would be spelled out. There are copies coming over now.

Mr. Bader. Well, I think maybe we will get a copy of the definition of clergy or missionary. Maybe that will clear that up.

Senator Huddleston. Well, I think, you know, some churches send people over for a very short period of time. They are lay people, really, but while they are there, they are

there more or less under the auspices of the church group.

Mr. Kirbow. At least a local church frequently sponsored them.

Senator Huddleston. I don't think you can prohibit all those kinds of people. I think some kind of definition should include the primary occupation of clergy, clergy itself.

Senator Mathias. Well, why don't we commit to staff for the moment the question of definition?

Senator Huddleston. I think we will have to do that.

Okay. Are we ready to move on that?

Mr. Aaron. The recommendation is that whomever or however we define them -- and that's obviously an important question, that they either be prohibited by statute. The other alternative is to simply prohibit any further or recommend the prohibition of any further CIA recruitment in this field.

Ms. Culbreath. The way this is worded, this would get anybody who is a lay member of a church. You have got recruitments of American clergy or laity.

If I am a member of the Methodist church, I am in the laity of the church.

Mr. Miller. You have raised a question. There are people who are not priests in the religious hierarchy in a particular sect who may devote their entire lives to that particular church.

Senator Mathias. Well, I think the word "a religious" --

I'm serious here -- should be considered.

Mr. Aaron. "A religious?"

Mr. Bader. We'll have to obviously work on that. Laity was not meant here to be a member of a church, for technical terms, the technical terms Mr. Miller mentioned.

Mr. Miller. As distinct from the congregation, it was meant to deal with the administrators in a religious order.

Senator Huddleston. Well, some sects have lay preachers and lay clergy.

Mr. Kirbow. Senator Hart, do you want each of these categories like this examined in the light of the constitutional question that you raised earlier?

Senator Hart of Colorado. I just raised the issue where the academics were concerned to resolve it, so I'm sure it should be raised by somebody.

Senator Huddleston. Are you ready to go on the religious insofar as what is the definition? Then that will be --

Senator Hart of Colorado. Yes, sir.

Senator Huddleston. Then that will be moved up, I assume, with exceptions noted?

Mr. Kirbow. I don't have any exception to that one, sir.

Mr. Inderfurth. That is by statute, right?

Senator Huddleston. Pardon?

Mr. Inderfurth. Is that by statute?

Senator Huddleston. Right.

Mr. Maxwell. There may be a First Amendment argument here, particularly in fundamentalist groups whose religious beliefs are committed, are directed toward opposition toward Godless atheism.

Mr. diGenova. Except that the control of religious organization has historically been subject to governmental regulation in this sense: the Supreme Court in light of Senator Hart's question last night, I did a little bit of research. The example, the prime example of regulation doesn't deal so much with prohibition of the Government dealing with someone, although there are vast areas where the government is not permitted to get into. The question is, for years the Supreme Court has ruled that there are certain health regulations of states that religious sects must comply with, and they have to comply with it even if it conflicts with their basic religious belief, that they have to comply with it, like quarantines or things of that nature.

So there is clearly an area where the First Amendment of religious freedom concept falls in the face of a greater good, the need of the general public, and that has generally been in the health area, where there is some practice of the religion which conflicts with some standard which has been set in the community at large, and that generally has dealt with health.

Mr. Kirbow. Maybe the HEW Act can bring the CIA under one

of these health threats.

Mr. diGenova. Self-immolation.

Senator Huddleston. The snake acts and innoculations.

Mr. diGenova. That's exactly right.

Mr. Maxwell. The problem is that's not quite applicable to this, and one has to argue in the past the Court has ruled on things that are found to be a threat to the personal livelihood or health of the individual rather than something that could be construed in a fundamentalist sense.

Senator Huddleston. This doesn't preclude a sect that may be anti-atheist and as such anti-Communist from pursuing its principles, but the restriction would be pursing them through a government agency, which happens to be the CIA, or any other methods.

Ms. Culbreath. Would this prohibit, then, somebody who was a member of one of these sects that was in an area where they gained information that would be helpful from them being sources?

Senator Huddleston. I wouldn't think so if they wanted to write letters to the CIA.

Ms. Culbreath. Well, just in terms of the debriefing kind of thing, or contact.

Ms. Davis. We are talking about operational, not coming in to the Domestic Contact Service.

Mr. diGenova. It is not very clear on this.

Mr. Maxwell. The problem in part goes back to the difficulty

we had with the Domestic Contact Division in trying to determine what was operational support, if operational support would be what did you learn about individuals there who might be receptive to American approaches. Then the clergy would be prohibited from providing that kind of information if that is operational support.

Senator Mathias. Well, it seems to me if the religious came in and said I was at a meeting of the Holy Rollers last night and we all went down on the mourner's bench, and I heard the most remarkable things, and this is what I heard, there would be no prohibition against listening. Now, if you say, go back to the Holy Rollers tonight --

Mr. Kirbow. And listen again.

Senator Mathias. Then you've got a question.

Senator Huddleston. Then it is operational.

I don't think there's a need to write in that it doesn't pertain to the voluntary furnishing of information. I don't know.

Mr. Aaron. I don't think -- no, that's really not an operational use, quite frankly. It's very similar to the DCD which takes information from lots of people, including people who are and have been for some time proscribed by CIA's own --

Senator Huddleston. Well, anyway, that would be worked out in the statute itself.

Mr. Aaron. We are spared the problem.

Senator Huddleston. We ought to move on.

Mr. Aaron. The next section is proprietaries and cover.

Senator Huddleston. I just wonder if in presenting this, these three, these four, now, that we have just approved, it would be of any value to assert in our report that we recognize that the Agency has to find proper cover for its agents, that restricting that cover is a matter of some importance, but there are certain institutions that the Committee feels because of their nature and because of their standing in the country, and because of the need for the public to have confidence in them, that they should be, in effect, off limits, and because of that we recommend that these four recommendations be brought. I don't know whether you want to make it sound any better or not.

Senator Hart of Colorado. Mr. Chairman, does the absence of brackets on the next set of recommendations mean that they are non-controversial?

Senator Huddleston. On the proprietaries?

Senator Hart of Colorado. Yes.

Mr. Aaron. That is correct.

Senator Huddleston. The gentleman did such a great job that nobody can question them.

Mr. Aaron. I think there is only one set of brackets, and the next section is on page 67 in which it says that --

Mr. diGenova. Oh, yes, there is something.

Mr. Kirbow. What page are you on?

Mr. diGenova. 67.

At the bottom of page 67 is a bracketed quote about Admiral Raborn, a former Director of Central Intelligence.

Now, if my memory serves me correctly -- now, first of all, this is the first time that anyone is mentioned by name in the findings.

Senator Huddleston. And the total findings are in that section.

Mr. Kirbow. The findings are this foreign and military.

Senator Huddleston. We referred to Helms and Laird, but I think we decided we could write around that.

Mr. diGenova. Well, here's what happened here. This paragraph deals with the fact that when the Agency disposes or dissolves a proprietary, it tries to avoid conflicts of interest.

However, when noted that sometimes pressures were brought to bear on the Agency to dispose of the entity as a favor to someone, so that it would benefit someone else.

Now, the most glaring example of this was this activity of the former Director, Admiral Raborn, who actually became involved in negotiations on behalf of a client, Overseas National Airways, which he represented, and he wanted the sale of Southern Air Transport, which was a CIA proprietary, large assets and large property, to Overseas National Airways, which of course would have acquired Southern Air Transport's lucrative

routes.

Now, the way I originally had it written was "A former Director of the Central Intelligence Agency sought unsuccessfully to influence the sale." However, if it was left that way, people would have to guess at which one of these guys did this and it would unfairly impugn all of the directors. The name was inserted. Therefore, the question now becomes whether it should be left in at all since the name is inserted, and since the name is mentioned in the report, and whether or not the whole sentence--

Senator Hart of Colorado. Well, what if we just said "A former Director"?

Mr. diGenova. Well, the problem there, Senator, is then people say, which one was it?

Senator Hart of Colorado. Good.

Mr. diGenova. Oh, all right.

Mr. Inderfurth. I think the assumption would be Richard Helms.

Mr. diGenova. McCone more than Helms.

Senator Hart of Colorado. Well, we ran into this last summer with the Exener matter and all like that.

Ms. Culbreath. A former person.

Mr. diGenova. The Agency itself cited this as the most flagrant example of intercession on behalf of anyone. As a matter of fact, the memorandums on this refer to dozens of

phone calls and overtures, and it is a former Director trying to gain a benefit. It is an unseemly situation, and they labeled it as a conflict of interest which they sought to avoid, and in fact they did, and they are praised for it in the report because they were really under tremendous pressure.

So I have no feeling one way or the other. I think to leave out his name unfairly impugns the other. To leave it in, also, is only the second time in the whole findings and conclusion that we mention anybody's name, so I don't care.

Senator Huddleston. And you've got one, Recommendation No. 5, related to the disposal of the proprietaries, that the Justice Department approve?

Mr. diGenova. Be consulted on the disposition.

Mr. Kirbow. Mr. Chairman, can I be heard on that?

Senator Huddleston. Yes, sir.

Mr. Kirbow. Senator Hart, in this regard we have consistently attempted by most every reasonable means to not use the names of people unless they had committed something illegal.

Senator Hart of Colorado. Well, don't side with me. I'm not taking a position.

Mr. Kirbow. But the Exener thing was a big example, but we must have had 20 other names that we went through on that assassination, and we wrote around them.

Senator Hart of Colorado. But a number of people argued strongly that we ought to name her and go into details, so I

suppose the same arguments could be used here on this matter.

Mr. Kirbow. But the point I raised at the staff meeting just before the Committee came back, when the subject was raised, was did Admiral Raborn, as a retired military officer, currently in a civilian status, although he was former -- break any American law, or had they sold it to this, would it have been a violation of the law, and the answer was no.

If he was involved -- or they knew of no law that he had violated, and none is apparently cited in the record. Pressure was brought to bear, there is no doubt about it, by Admiral Raborn. I think there's another example. I'm not sure whether Joe described it to me or someone else, of a very senior official out there dealing back with the Agency.

Now, the military, as Senator Hart knows, is prohibited from this by regulations and I think by law. I know that as a regular military officer, you are not allowed to do contractual business with your agency forever, but with the other military departments and the Department of Defense, I think you have to have a cleansing period of five to seven years.

I don't believe there is any such provision in the Act that applies to former Directors, and probably what the Committee should do is consider this action without necessarily naming him unless he was in violation of some really serious wrongdoing, and make a prohibition, drawn similarly, with what now applies to senior officials going back and kind of exerting

undue influence on those people.

Senator Huddleston. Joe, is it accurate to say that pressures were often brought to bear?

Mr. diGenova. We changed that to say sometimes. This is a rewrite. Someone else wrote this after I had submitted it, and we had a meeting today, and we changed several things in there.

So I leave it up to the Committee. This was a matter that I -- I wanted to flag it and leave it there. The explanation is as clear as I can give it.

Mr. Inderfurth. This is the first time he is mentioned in the entire paper.

Mr. diGenova. That's right.

Senator Huddleston. Why don't we delete that sentence and keep it in our full report, our big report.

Mr. Kirbow. There is a major classified report on this that would contain all the facts.

Senator Huddleston. I am concerned now whether any other instances of someone may be, of similar standing as Admiral Raborn.

Mr. diGenova. Yes. There are instances in the record which do not deal with proprietaries, of John McCone interceding on behalf of Pan American directly with the Director of Central Intelligence, and it is not mentioned in the report, and it should be, and it is a problem that we have had, Mr.

Chairman, has been that the work involving the relationship of the Central Intelligence Agency with American business companies was severed off from the proprietary work for the simple reason that they are not the same thing.

That work has been done. It has not been pursued vigorously, not because the individual who was responsible for it didn't want to.

Senator Huddleston. That happened after he left.

Mr. diGenova. That's right, after Mr. McCone left the DCI, he had frequent contacts, according to the records, with the Agency, with high level Agency personnel, and in one instance he interceded personally with the Director of Central Intelligence to avoid actions which would be taken by another government and its airline which would adversely affect Pan American World Airways.

Senator Huddleston. It is hard to separate a man from his past totally.

Mr. diGenova. It seems particularly hard with DCIs.

Mr. Kirbow. Well, not only here, this is not with the Agency, but it came up in my experience with the Armed Services Committee involving Continental Airlines.

Senator Mathias. This sentence.

Senator Huddleston. Just the sentence in brackets.

Senator Mathias. Well, I think if you've got a Raborn Case, a McCone Case and whatnot, that you can't make fish of one and

fowl of the other.

Senator Huddleston. I think we've already said that pressures sometimes were brought to bear and we make recommendations to correct that.

Ms. Culbreath. Mr. Chairman, could I suggest that maybe if we do delete that, that we perhaps redo that previous sentence to make it a little stronger, and perhaps in some way indicate that these were serious pressures, and they were, I think, hard pressures to withstand when somebody in that kind of position --

Senator Huddleston. They were withstood, though.

Mr. Maxwell. They would get lost the way the sentence is cut.

Mr. diGenova. I think what we will do is David and I will get together, and Elizabeth, and we will change this "however" sentence, the sentence that precedes the one that has just been deleted, and we will expand that sentence to more accurately explain that the pressures came from high sources sometimes. Some of them may have been maybe former Agency directors.

Senator Huddleston. I think we should make the point that it was former.

Senator Mathias. Well, if they were former directors, then you may as well leave in the last sentence.

Mr. diGenova. Maybe.

Mr. Kirbow. Mr. Chairman, may I suggest that maybe perhaps we use this type of part of the investigation and what we know from certain of the other files to prohibit this type of conduct by law in the future in our general recommendations?

Senator Huddleston. And make it similar to --

Mr. Kirbow. Similar. I think you would have to look at something from the staff.

Mr. diGenova. I didn't have that recommendation in there, but I think the record indicates it ought to be there.

Mr. Kirbow. It wouldn't be proper, necessarily, to put it right here under proprietaries, but let's put it in the general recommendations.

Mr. diGenova. David, did you get that?

Mr. Aaron. I'm sorry.

There's a recommendation that --

Mr. diGenova. That Agency personnel --

Mr. Kirbow. Senior officials.

Senator Huddleston. Similar to what applies now for military.

Mr. Maxwell. Well, perhaps the statute, perhaps we could recommend a statute similar to that governing the Department of Defense.

Mr. Kirbow. Be enacted by the next Committee, similar in effect to.

Senator Huddleston. And find a proper place to put it in

our recommendations.

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Mr. Aaron. Okay.

Mr. Maxwell. Well, Charlie, correct me. I think the proprietary section would be the appropriate section because that would be where it came up most, unless there is another one that you see more readily.

Mr. diGenova. We can work that out. I don't think that's terribly --

Mr. Kirbow. I think there have been two or three suggestions made here that will result in general recommendations on a page that isn't necessarily supported by findings, but you come to this overally conclusion based upon your total concept of the Agency and its procedures and everything else in view of the findings.

Mr. diGenova. The only thing I want to do is -- David, I know you have gone through this, but the Senators may want to look at page 68 through 70, which deal with cover, and particularly with Mr. Welch.

Ms. Culbreath. I had a point I wanted to raise on that.

Mr. diGenova. Well, Mr. Chairman, I think the Senators want to read this.

Ms. Culbreath. Why don't we let them look through it.

(Pause.)

Senator Huddleston. Let's go back on the record.

Mr. diGenova. I do know the Agency is going to come in

tomorrow to review the cover paper from which this summary is drawn. I know Eric has some problems with the cover paper, both editorially, because they view it as overly simplistic and harsh because it reflects all of the Inspector General's judgments, but they have some problems with cover in general, but I don't think this is going to be part of that problem.

Senator Huddleston. I have some problem with this page 70 relating to Welch because it seems the whole implication of that is that he was murdered because his cover was blown, and so far there has been no evidence that that is the case. It highlights the argument, I think, correctly, but it seems to me it leaves the impression that here is a case where a fellow's cover or lack of cover resulted in his death.

I think the Agency people have specifically said to us so far that they have no reason at this point yet to expect that that was the reason he got killed.

Mr. Maxwell. In regard to the specific quote, I think we have to be very careful as to getting involved in an argument which would imply that anything that we possibly did had an effect on it, and also, that it seems to point to Mr. Welch and say, well, it is all his fault.

Senator Huddleston. He didn't protect his cover, he didn't do what they advised him to do, and you see down here we have another quote which says, referring to international terrorism and incitement for these kind of people to take the

kind of action which unfortunately led to the death of Dick Welch. There again we are ascribing something to the death of Dick Welch which nobody knows yet, you know, what terrorists killed him or why; at least our record doesn't show.

Mr. diGenova. These statements here, Senator, this is a direct quote from Eric Eisenstead's memo. Do you think that we should maybe in the findings and recommendations shorten this and maybe --

Mr. Kirbow. I think the part of the record which is an unknown fact is why Dick Welch was killed, and we should stay away from any quotes or other pronouncements in our paper which attribute his death to any particular thing unless we know something.

Mr. Aaron. I think that is a good point. We might put in here a statement which says the Committee has no information as to the reasons, purposes or cause, specific cause, of his death. The point is to get at the question of cover, to step out to the question of cover in the report, as we do, I think, appropriately, but not have talked about the one case where this all came out in public, rightly or wrongly.

Mr. Kirbow. Why don't we use the cover for the gentleman in London, then, where as the tour buses go by, of course, you know this is the home of the CIA chief, and he hasn't been killed yet or anything like that. If we want to use that kind instead of using this death example, which, by the way,

has brought some thousands of letters from the constituency of certain southern Senators who shall remain unnamed or near-Southern Senators, because it kind of was a catalytic agent in getting a lot of complaints on the Committee and everything else, and this pointing out or explaining Welch's death goes back to it.

Senator Huddleston. I'm sort of southern.

Mr. Kirbow. And you've got a lot of them.

Senator Huddleston. Of course, it was used for that purpose by certain high officials for that.

Mr. Kirbow. The very highest, including attending the funeral.

Mr. diGenova. Well, I think one of the things we wanted to pinpoint here, and first of all, I think we can summarize the Agency's testimony a little better. The Agency said, nothing this Committee did, first of all, had anything to do with his death, as far as they know.

Ms. Culbreath. But they don't know.

Mr. diGenova. As far as they know, they don't know one way or another, but the impression that was created in the press was, and was pandered to by the DCI and the President, was that the general actions of exposure of Agency operations were responsible for the death of Mr. Welch, and they pandered that by inviting Committee members to the funeral as if they bore some responsibility.

Now, the obvious public relations value of Mr. Welch's death, the first time in history the DDO and the DCI go to a funeral in public, they never did that, and there is no doubt that they tried to make political hay out of his death. I think it is only fair that the Committee ultimately say --

Senator Huddleston. Right, but I think you've got two different problems. You've got a problem with whether the Committee wants to present its case and exonerate itself on the basis of everything that is known about the death of Welch, and whether that is pertinent to the problem of cover.

Now, we make a recommendation that the CIA shall make an effort to place a greater proportion of its officer abroad under nonofficial cover. It seems like what we need, there's a statement here is that official cover has not proved to be effective, and if we mention Welsh at all, I think the point we mention there is that his name was carried, that while he was there supposedly under cover, his name was in fact carried in a newspaper, the name of his newspaper had been carried in a foreign newspaper, and he was living in a house that was known to be the house.

Mr. Kirbow. His true identity was widely known.

Senator Huddleston. We can cite him as an example without indicating why he had been killed, of here is a case that everybody knows about, so-called official cover was not in fact very deep cover. There may be other instances that we

want to refer to, but if we get into his death at all, I think we have got to present the case, that blowing his cover is not necessarily what killed him. Nobody knows that as of now, so far as I know. Nobody knows it wasn't just a street gang or an idiot.

Mr. Kirbow. It could have been like the Senator John Stennis case, where they buttonholed him in front of his house and killed him for robbery purposes.

Senator Huddleston. We've asked them two or three times here, have we not?

Mr. diGenova. Yes, we have. In fact they don't know.

Senator Huddleston. In fact, the last time Nelson was here we asked him.

Mr. Aaron. Can I try a fix on this, turning to page 70, instead of saying "the career and tragic death of the station chief," let's just say the "situation of the station chief in Athens illustrates the tension. As the Chief of the Cover Staff stated, by the time a person becomes a chief of station, there is not a great deal of cover left," leaving in the rest of that sentence, and then add in here, as you did, "Mr. Welch and his predecessor were both identified and named in the local press. Further, Mr. Welch occupied the same house."

Senator Huddleston. Which presumably was known to be the house of the station chief.

Mr. diGenova. In fact, the station chief's name and address in Athens had been presented, so when he was in there the address had already been printed previously.

Mr. Aaron. Which was also known.

Senator Huddleston. Now, if we want to say something about an added dimension to the seriousness on blowing cover or cover being diminished, is the situation in the world with terrorism or the vulnerability it makes of people --

Mr. Kirbow. To the unstable.

Mr. Aaron. Well, the point in the testimony is that this was an added danger, but because they've got a job to do, they're not going to really do too much about it. It's a real risk they are just going to have to bear.

Senator Huddleston. That's an occupational hazard, but we are talking about how to protect their cover, and our recommendation is that they use -- have an official cover.

Mr. Kirbow. Well, can the staff change the language, because we know exactly what you want to do, and without taking further time, why don't we just change it.

Mr. Maxwell. I would just hope that the two quotes after the one that David cited, the quote, he, Welch, was asked, the last quote, we could make the point in a different way because the impact of the first quote, I think, is this guy was stupid and irresponsible, and I don't think we need to have any implication like that in the report, and the second one, I

think we can make the point that terrorism may constitute a greater threat now.

Senator Huddleston. I think that quote ought to go entirely because it does leave the implication that there was a direct link to losing his cover and his assassination.

Now, we don't know that.

Mr. Aaron. So just take out the last one.

Mr. diGenova. But still speak about the added danger of international terrorism. Just stop at the word "international terrorism."

Senator Huddleston. Down in the recommendations I've been talking to Joe about defining the small business, and I think we fairly well understand what the concern is, or do we, Joe?

Mr. diGenova. Senator, I was going to suggest, if you look at Recommendation No. 3, while it doesn't define what a large proprietary is, the Senator was concerned about what was meant by "should be kept small," and I tried to indicate really we are talking about Air America where you had 8000 employees of the CIA, both in Langley and abroad, and then another 8000 employees of the Air America complex. That is big.

But I think what we should say is, organizationally small, and organizationally and numerically small, because what we are really talking about is when they get big, whether it is in numbers or finances, and larger in terms of people usually means

larger in terms of finances, also. Then you have both of the problems we addressed in the paper, which was the risk of unfair competition with private enterprise, and the risk of blowing cover, of compromising security.

So I think that --

Senator Huddleston. I was wondering if it could be designed in such a way as care should be taken that it not be any larger than necessary to achieve the objective for which it was established.

Mr. Kirbow. Excuse me, Senator. It would not get the Air America thing because at the time they needed one twice that size.

Senator Huddleston. They needed it that big, that's right.

Mr. diGenova. The reason this language is in here is that the Agency officials themselves who testified, all of them, including the DDO, said they would like to have small ones, in other words, a small number of employees, small operation.

Senator Huddleston. What about their insurance business?

Mr. diGenova. That's kind of an exception, although actually that is an example of a lot of money with only a few employees. There are only a couple of people that run that whole thing, Isenstead and a couple of -- one investor, Istenstead, and an auditor. There are three men that run that $32 million complex. So that is a different animal, really.

Senator Huddleston. So if you are going to use the term "small," you've got to say it from the standpoint of employees or resources.

Ms. Culbreath. I was just going to suggest that, since another of our recommendations suggests annual review of all of these criteria, and since their budgets are going to have to be included for the oversight committee with review for the others, and we have got a proposal that the Committee also establish guidelines for the approval of the creation of large proprietaries, should these become necessary.

Perhaps the better thing to do, since these proprietaries are for a specific need at a specific time, and since we have got the review procedure, is sort of trust it- to the oversight committee to see to it that they don't get too big, whatever that may be, and leave it to them, maybe just delete that second sentence.

Mr. Kirbow. Well, that's certainly a workable way.

Senator Huddleston. I don't see how you are going to keep that sentence in there without having it.

Mr. Aaron. I would also suggest that perhaps in the section on proprietaries, where we make a comment about how large proprietaries run risks in blowing their cover, we might would it be possible, do you think, to make a finding or make an example in regard to Air America?

Mr. diGenova. Absolutely, because they have conceded

that's the one that ran all of the problems.

Senator Huddleston. You do mention that somewhere, don't you?

Mr. Aaron. It's not mentioned specifically, but it might be possible to say, you know, maybe you can put a footnote on the first paragraph which simply said --

Mr. diGenova. You mean on the findings of page 66 that "too often large proprietaries have created unfair" --

Mr. Aaron. "Unwarranted risks of unfair competition with with private business in compromising their cover." You should say, "for example," "Air America, for example, which had 8,000 employees," and so forth, ran into both of these problems.

Senator Huddleston. I think that would be all right.

Mr. Aaron. And then you would have at least some reference to what "large" was.

Senator Huddleston. Then you've got the review and the oversight.

Mr. Inderfurth. So the idea here in the recommendation was to take out the second sentence.

Mr. diGenova. Yes.

Mr. Inderfurth. Why not take out the first as well and just go to Recommendation No. 2 as No. 1?

Mr. diGenova. Well, I think -- can I just say this -- that by indirection, approving of an activity is, I suppose, one way of doing it. I don't see anything wrong with stepping up

and saying we examined proprietaries, we found them to be -- they had problems but basically they were all right.

Mr. Inderfurth. Couldn't that be in the body as well?

Mr. Kirbow. The one thing we have failed to do on this Committee is where we are strongly in favor of, is to speak out in a manner supporting an agency under otherwise violent attack from many sources, and I think --

Mr. Inderfurth. I think that is not true, Charlie. I think you will find, if you read the findings of Bill Miller and others wrote in the first part, it says very strongly, intelligence is necessary; we need it.

Mr. Kirbow. I'm saying up until now it has been an agency under attack. I think this whole section on foreign and military has been to make a balance between past wrongdoing and current operations.

The Chairman. There can't be anything wrong with leaving the sentence in there.

Mr. Maxwell. May I raise a question to the second recommendation, as to the reason why by statute there would be an annual review rather than recommending that to Congressional Committees.

The second part of that is, my understanding of a number of the proprietaries is that they are not operating, and to require GAO audit of a whole group of in a sense notional organizations may be preempting the kind of review that the

oversight committee should be doing rather than setting it out here. It's just a question.

Mr. diGenova. This is a rewrite of my original recommendation, and it is a good point. It may very well be that that is superfluous, if you are considering oversight by a committee.

Senator Huddleston. The Committee cannot conduct an audit, though.

Mr. diGenova. And that was the purpose for the Committee taking on board independent GAO auditors.

Mr. Maxwell. The Committee can request GAO auditors.

Mr. Kirbow. Anything that appears to be on an audit calls for an audit.

Senator Huddleston. Calls for a GAO audit or gives the Committee authority to call for one.

Mr. diGenova. I don't think we need a statute. We can talk about it as part of Congressional oversight. As part of the Congressional oversight function, the oversight committee should review proprietaries annually and where necessary conduct audits with the assistance of the General Accounting Office.

Mr. Kirbow. Here, Mr. Chairman, I think again the point we made yesterday, that we should say at least annually, so that they don't put you in a box if you want one every two months because of circumstances, "at least annually."

Senator Huddleston. You could add in Section 3, at least

there, giving the Committee authority to establish guidelines, to establish for large proprietaries, should they become necessary.

You could also make the statement there that the Committee may call for a GAO audit periodically.

Mr. diGenova. So we will rewrite 2 to eliminate the statute

Senator Huddleston. Independent GAO audit.

Mr. Aaron. No. 2 is rewritten so it is not required by statute that there be an audit, internal audit?

Mr. Kirbow. No GAO audit.

Senator Huddleston. The only thing I had in mind of taking out of 2 was just the independent GAO audit being required by statute, and leave that to the discretion of the Committee, but leave the rest of the review, right?

Mr. Maxwell. You amend it by statute that an annual review of all proprietaries?

Senator Huddleston. An internal CIA audit.

Mr. Maxwell. Or would it recommend that, I'm not sure which.

Mr. diGenova. I'm wondering whether it should be done by statute. Maybe we should recommend to the oversight committee that there should be an annual review consisting of internal CIA audit.

Mr. Maxwell. An annual report to the oversight committee and such GAO audits as the Committee --

Mr. diGenova. May deem necessary.

Senator Huddleston. That's all right.

Mr. diGenova. And then we could add, as part of its annual report, the GAO should record all of its intercessions. That should be "report." They record all of them, so change "record" to "report".

We can rewrite that.

Senator Huddleston. Make that a little stronger.

Mr. diGenova. Must report?

Senator Huddleston. Shall be required to report.

Mr. Aaron. I'm sorry.

Could we now have a recapitulation by whomever thinks they followed this?

Mr. diGenova. Elliot?

I defer.

Mr. Maxwell. "There should be an annual review"--

Mr. Aaron. There is no longer a statute. The Committee recommends that there be, right?

Mr. Maxwell. -- "a review, at least annually, of all CIA proprietaries."

Mr. Aaron. By whom?

Ms. Culbreath. By the oversight committee.

Senator Huddleston. By the oversight committee.

Mr. Maxwell. Well, you're defining what the review is in the next part. "consisting of an internal CIA audit and a

report to the oversight committee as well as such independent GAO audits as the committee shall direct. As part of its annual report to the oversight Committee" -- "As part of its report to the oversight Committee, the CIA shall report," and then the rest of the sentence, "all its intercessions on behalf of its proprietaries."

Mr. Aaron. May I just make a quick editorial fix? "The Committee recommends the overight Committee conduct an annual review of all proprietaries consisting of an internal CIA audit and report to the oversight Committee."

Mr. Kirbow. No, the Committee cannot conduct a GAO audit. They can insist that that's part of the report that is presented to it.

Mr. Aaron. That's it, consisting of a report to the oversight Committee of an internal CIA audit, is that rigt?

Mr. Kirbow. What you are trying to do is to require the CIA to reveiw it, to conduct a CIA audit, and to report fully all of the review entailed.

Mr. diGenova. Not just the audit themselves. There are certain operational details you are going to want to know about also, not just financial security.

Mr. Kirbow. Mr. Chairman, let us rewrite that one. We will include it.

Senator Huddleston. Well, you see, you could combine 1 and 2 together, since we are just going to use one sentence,

the first sentence in No. 1, and after we say the external and internal controls, the oversight committee should require an annual report of all proprietaries by the CIA, including an internal CIA audit and all intercessions that the CIA may have made on behalf of proprietaries.

Mr. diGenova. That's it, that's all in one sentence. We can fix that.

Mr. Aaron. All right. We'll take Joe's fix.

Mr. Kirbow. In three I am not sure what you mean, "In the DCI's budget presentation." That almost has a word of art connotation in the Senate. A budget presentation is that thing which the Secretary of Defense and the Director of the CIA makes to the Appropriations Committee.

Mr. diGenova. We are talking about an authorization, aren't we, an annual authorization here?

Mr. Inderfurth. Look on page 26 and you'll see the definition of that under (b). The DCI shall have responsibility for preparing the budget of the national intelligence program for presentation to the President and the Congress. This is the budget presentation that's being referred to under this.

Mr. Kirbow. Well, now you come to the real question, proprietaries being listed in the DCI's budget presentation. Most of his proprietaries neither use any money up nor make any money or anything. They are just shelf items.

Here again you come to the notional.

Mr. diGenova. No, no, Charles, because the point they made during our review out there was that never have the proprietaries appeared in the budget presentation. They have been hidden, and the object is to identify them in the budget as a line item, for example.

Mr. Maxwell. One suggestion might be, be listed, that implies a list of proprietaries.

Senator Huddleston. Where does this list go?

Mr. Kirbow. What you want to do is to require them to include a discussion of the proprietaries in his annual report to the oversight committee is what you want to do, isn't it, because they don't have that now. They don't report to the Armed Services Committee. They only report to Appropriations

Senator Huddleston. How would it be listed in the budget under your proposition here, Joe?

Mr. diGenova. Well, I'm just assuming -- well, I am assuming in terms of oversight the Committee is going to want to know, even though this is not going to be published, where this money is going and what it is going to be used for, if they are going to authorize it.

Mr. Aaron. I think the term really should be --

Mr. Kirbow. I think it ought to be more than in the budget.

Mr. diGenova. I know that's not just what they are going

to be asking, but the thrust of this was to make sure that proprietaries found their way into the budget, and that Senators knew what they were authorizing when they authorized the budget.

Now, how it gets in there, I am not a budget expert.

Mr. Kirbow. That is what I am trying to supply here because in this process there is a procedure that when you say there shal be authorizing legislation, where the line items are discussed before the authorizing committee and not before the budget committee, which is the appropriations committee, and if you require that he discuss or report the annual operation of the proprietaries in his annual report to the oversight committee, you will accomplish what you are trying to do, and not exclude it only for the presentation before the Appropriations Committee.

Mr. Maxwell. Could I try a fix on this?

Mr. diGenova. You are invited.

Mr. Maxwell. The oversight committee should require that the DCI's budget presentation to the Appropriations Committee and the oversight committee include a specific discussion of the financial aspects of CIA proprietaries. I mean, we are trying to bring them out and see what the impact is on the budget, where do they fit in.

Senator Huddleston. Can they do that, though, without identifying the proprietary and where it is located and whatever.

Mr. diGenova. They have indicated they could.

Mr. Aaron. Jim, Taylor, when he was here talking to the

Committee, talked about how they are beginning to -- drawing a way to work in the proprietaries so that they can both identify them and indicate their cash flow implications for the budget, and in effect --

Senator Huddleston. What would you have proprietaries --

Mr. Aaron. Proprietaries, income and outgo.

Mr. Kirbow. But that would never be published, Senator.

If you want to accomplish what you are suggesting here, that they report the cash status or the financial status, you add that additional sentence to this combined 1 and 2 up here that the Senator just proposed a minute ago, and indicate that that report should also include the financial status or the --

Senator Huddleston. But you do that with the audit, don't you, the internal audit?

Mr. Kirbow. Well, in fact you do, in fact you do.

Mr. Aaron. Well, I think the point -- maybe I'm not captioning this properly, Joe, but I think the point here is that proprietaries either earn money or cost money, sometimes a little of both, and it has an impact, therefore, on the overall CIA budget, particularly in the past when income from the proprietaries could be placed in either the contingency reserve or used to finance, in effect, operational purposes of the proprietary. In other words, Air America was earning money on its operations, and yet it was costing them more because they were engaged in certain risky operations. In

In effect, the proprietary was earning money which was financing the proprietary organization.

Mr. Kirbow. But they can no longer do that. What they earn now must go into the general Treasury.

Mr. Aaron. No, gross earnings do not go into the general Treasury. Their net, and part of the cost of doing business would include the cost of some of their operational purposes.

I think the point of this inclusion here was to see if one could require in connection with the budget, not just in general, with an audit of what it does specifically, but in terms of the entire activity of the CIA, to get a spelling out of its sort of macrobudget implications in terms of up or down, and secondly, its budget implications for the certain categories of operations which were involved, such as, if you are talking about the conduct of the support for the activities in Laos.

Mr. diGenova. Paramilitary operations.

Mr. Kirbow. Well, leave it like it is if that is what you are trying to do, because they will be sure to report it to the Appropriations Committee in excruciating detail, but they won't report it to the authorization committee unless they require it to get money.

So if you want to leave it a detailed budget, their presentation to the budget committee, this language will get that done.

Senator Huddleston. Well, what if you said something like

this, furthermore, or adding to that, the fiscal impact or the budgetary impact of the proprietaries should be included or defined in the DCI's budget presentation.

Mr. Maxwell. Specifically discussed?

Mr. diGenova. That language would mean it's included in his presentation in some way because the allusion that David made to Jim Taylor is that they are beginning to put it into their budget presentation. I know that is a term of art.

Senator Huddleston. That eliminates any idea of listing them.

Mr. diGenova. Elliot's point also about the authorization committee should be added in there.

Senator Huddleston. We've got so much money invested, and 33 money made money and 40 made money for a net gain of so and so.

Mr. Maxwell. And you should have some notion of that and the problem was that you weren't able to get ahold of it.

Senator Huddleston. And we sold two or three of them for this amount.

Mr. diGenova. That is the whole issue of their visibility in the budget, the whole question.

Senator Huddleston. Well, where does that visibility disappear?

Mr. diGenova. Well, before they never showed up.

Mr. Maxwell. Before you had the covert action.

Senator Huddleston. Well, where will it disappear now? It won't come to the authorization committee and the appropriations committee. I mean, it won't be a line item.

Mr. Aaron. Proprietaries as a category?

Mr. Maxwell. I would assume it is going to be a subsection of operational support in covert action.

Mr. Aaron. Not necessarily. I think they are struggling with that at this point trying to define it properly and how it should be presented. I mean, I really don't think we know. They have an intention to do it because they recognize that potentially it is a source of real question as to how much money is being spent on clandestinc activities that is self-generated by the Agency because of its proprietary activities.

Mr. diGenova. The impact, Senator, was also to show that the Committee had looked at this broadly, was aware of possible budget and authorization implications of various entities, including proprietaries, and that it wanted to say something about that. It was not necessarily anything dramatic.

Senator Huddleston. Well, I will agree with that. I am just worried about if you say you expose proprietaries too much, you are exposing cover.

Mr. Aaron. Well, this is internal. This is classified.

Mr. diGenova. This is not public.

Mr. Maxwell. Well, I think the language the Senator

suggested got to that.

Mr. Aaron. Well, let me see if I can read out what I would propose along the lines I think we discussed.

The oversight committee should require that the fiscal impact of proprietaries be made clear in the DCI's budget presentation to the oversight committee. If you want to add the appropriations committee, you can, but I think the point is that that happens.

Mr. Kirbow. If you'll listen just one minute, Mr. Miller knows and I believe the Senator knows that "in the Senate there is a formal budget presentation made to the Appropriations Committees." They are not made elsewyere. Reports are made to oversight committees on the status and all of these other things, and if they request any money for those proprietaries, they would request that before the authorizing committee. If you are just trying to accomplish getting it made known to the oversight committee, drop the word "budget presentation" and adopt the common usage of the annual report of the Agency or of the DCI.

But that is kind of a word of art. Those are words of art in the Senate, and they will seize on it because today they don't do it for anybody else but the Appropriations Committee.

Senator Huddleston. I think that's reasonable enough. It ought to be clear.

Mr. Aaron. Let me try another fix here because I'm not too sure.

The oversight committee shall require the fiscal impact of proprietaries in the CIA's budget be made clear in the Director's authorization presentation, or what phrase is that? In the Director's what?

Mr. Kirbow. The DCI's annual report to the appropriate oversight committee.

Senator Huddleston. The DCI's annual report.

Mr. Kirbow. The Agency would not report separately. They should make their presentation a part of the DCI's report to the appropriate oversight committee.

Mr. Maxwell. While we are on that, could I, on No. 6, we have already, I thought, by statute prevented any covert action being funded other than by (a) appropriation to a covert action budget, or (b) the contingency reserve.

Mr. diGenova. That's right.

Mr. Maxwell. D oes that make No. 6 redundant?

Mr. Kirbow. Yes.

Senator Huddleston. The only comment I would make is that the other is not an accomplished fact yet. This might be accepted and that might not.

Mr. Maxwell. Well, the reason I say that is that the way this reads, I would have or would be opposed to it because it provides an exception with the approval of the oversight

committees, when we want, I think, to be able to go to the Congress and say, we recommend most strenuously that only these two methods be used for funding, rather than providing a third method and someone says, well, maybe we should have a fourth method, and I would like to go with the strongest possible recommendation in regard to the earlier statutory requirement that it only be by specific appropriation to covert action and the contingency reserve fund.

Mr. Kirbow. Otherwise, Mr. Chairman, we will stand a chance of getting the other amended, to allow the oversight committee to allow it.

Mr. diGenova. Why don't we say this by statute, and then have the rest of the sentence an addendum which would just allude to the fact that funding is to be accomplished to the method we set out if you want to eliminate it.

Well, this was the problem that was raised, or an issue that was raised during the study, and this is set in here for that reason. It can easily be removed if it is inconsistent with another recommendation of the Committee.

Mr. Aaron. Well, we have two or three different earlier provisions that relate to this. The first is that re-programming authority, defining reprogramming authority, the possibility that something used for a program covert action X which involves a proprietary that generates a certain amount of money, can be used for program Y.

The second issue is we have proposed that covert actions be funded either by line item or by the contingency reserve.

The third thing we proposed is that the contingency reserve be replenished, if I am correct, only by appropriation, concurrence of the oversight Committee.

Now, what this in effect does, I think the question that he's driving at is, what do you do with the profits of a proprietary organization? Can you put it in the contingency reserve?

If so, our other recommendation would pick up the notion that it can only be done with the concurrence of the Committee.

Is there some other purpose, direct transfer? Well, presumably one of the limitations on reprogramming -- and this would be a fair point to make here, as part of its definition of limitations on reprogramming, it is recommended that the oversight committee proscribe the allocation of profits from any proprietary to a covert operation without their express consent. And this is really kind of -- if it doesn't go through the contingency reserve, it really goes to the question of reprogramming.

Now, I realize that we have said that our other recommendation by implication would prohibit this, but it is only by implication, I would think.

Mr. Maxwell. My sense is that by providing this --

Mr. Aaron. You kind of create a channel.

Mr. Maxwell. It's not that you create a channel, but you aid the, increase the temptation for the proprietaries to try to generate funds, and secondly, I think it is the easiest way for the oversight committee to have a handle on covert action, and particularly its funding, is to say there are two ways you can do it. You can do it either by the regular appropriation process, or you can do it through the contingency reserve fund. But if you start to build in the ways that the contingency reserve fund can be replenished, I think people -- I think there may be a loss of control.

Mr. Aaron. Well, this is a way it can be replenished, and this is not prohibited by anything we have recommended yet.

Mr. Maxwell. I understand that, but I guess I was trying to clean up the organizational structure.

Mr. Kirbow. I think this is the problem with recommending the legislation piecemeal, is that the insurance company out there is a covert operation. It is a secret operation at the agency conducted in that manner, and if you allow only covert operation to be funded only from the contingency reserve, whatever monies they generate will have to go back into the general treasury because they cannot be used to either replenish the contingency reserve or to operate a covert or to perform a covert function or operation.

So they are not even -- they can't not only use the profits

to do that, they cannot use the general monies that they generate from that to conduct. They will have to fund that insurance program in the contingency reserve.

Mr. diGenova. No, not at all, because it is not a covert operation. That is not being use to fund a covert operation. It has been used to pay pensions and annuities to foreign agents. It's not a covert operation.

Senator Huddleston. Agents are covert. If you restrict it to use of funds, if it is not already done, no funds derived from the operations of proprietaries shall be used for any other purpose except the operation of the proprietary and any profits shall be returned to the general treasury.

It precludes it, doesn't it?

Mr. Aaron. That would solve the problem, yes.

Mr. Kirbow. And that's what they are doing today by regulation.

Senator Huddleston. Can we say that?

Mr. Aaron. I don't see why not.

Mr. diGenova. Well, we say that in our recommendation No. 4.

Mr. Aaron. Well, this says --

Mr. diGenova. That deals with terminations and liquidations.

Mr. Aaron. This is liquidations, and terminations. This is not just operations.

Mr. Maxwell. There is one problem, a slight problem. That

is that some of the profits are reinvested. It is not that they take everything over or break even.

Senator Huddleston. Well, I didn't say that. I said all funds not needed in the operation.

Mr. Bader. Perhaps, Mr. Chairman, you could amend No. 4 to all returns of funds or profits not needed for the operation.

Mr. diGenova. There you go, whether from liquidations, terminations or profits exceed for the needs of the operation of the individual proprietaries should be remitted to the U.S. Treasury.

Senator Huddleston. You can work that out so that it would be understood that there is a need to keep a certain reserve back.

Mr. diGenova. We will unite 4 and 6.

Senator Huddleston. That's all but 5.

Mr. diGenova. 5 is only about the Department of Justice being notified as to the disposition.

Mr. Aaron. Now, we have two recommendations with respect to cover. The first is just to recommend that the Department of State stop publishing data which makes it possible to identify people under cover.

Mr. Kirbow. Well, just a minute. On No. 5 I do have a question here.

The Agency doesn't sign off on any other disposal of United States properties and military bases or major edifices or

anything like that.

Mr. diGenova. And the reason for that is every other government agency is subject to the rules and statutes of the Federal Disposal of Property Act, and the CIA isn't.

Mr. Kirbow. Do you see this could be an abuse area?

Mr. diGenova. I could see the Attorney General, if he knew that Admiral Raborn or some other Director is putting pressure on the CIA to dispose of a piece of property, would want to know about that, since they are not subject to the Federal Disposal of Property Act like every other government agency is.

I don't think -- I think the record clearly shows, and the General Counsel indicated that he was not opposed to having outside review of their disposals, provided it was classified or done in a classified way since they have never had any problem.

Mr. Kirbow. What you are doing here, approving the final disposition of disposal, if you are intending that he review the disposal process or participate in it, he wouldn't have known about Raborn. He wouldn't have known about Raborn at all because he didn't dispose of it to his client, and this would not pick up that kind of abuse that you have discussed here.

Mr. diGenova. Suppose it had been disposed of to Admiral Raborn, and they knew about it, and the AG said, why is this being done? It would raise a red flag which would not otherwise

be raised since the Federal Disposal of Property Act would not have applied which would have flagged that legally to any other agency.

Mr. Aaron. It would also strengthen the Agency's hand to resist those purposes, to just simply say, hey, this has to be signed out by the Attorney General. This isn't going to work.

It seems to me that what we do need here --

Mr. Kirbow. If what we are trying to do is get his participation, just having him approve it doesn't get his participation, I think we ought to put that in if that's what we want to do.

Mr. diGenova. I think the word "approve" is wrong. It should be "participate." The sale or disposition of any CIA proprietary --

Senator Huddleston. How are you going to make it "participate?"

Mr. diGenova. I think the word we want is "consultation."

Senator Huddleston. I think what we are trying to do is replace what other agencies have to do in an overt way and under a specific law, which this agency is not under, so it will have some assurance that it is being done in a proper way.

Mr. Kirbow. I don't disagree with the AG being in on the act, but this one gets you participation on disposition.

Senator Huddleston. Well, figure a way to get it done.

Mr. Aaron. Well, what I wanted to say was I would like to

note that back on page 67 where we have struck out the reference to Mr. Raborn and intend to expand on the pressures having been brought to bear, part of that expansion should include a statement that there is no -- or that the Federal Disposal of Property Act does not apply to the CIA, which is a crucial aspect.

Mr. Kirbow. They are exempt, and then bring in the requirement for CIA, or for the AG participation.

Mr. Aaron. And that includes that.

Mr. diGenova. So we will rewrite 5 to make it consultation.

Ms. Culbreath. David, on cover, may I just say, didn't we decide to delete the opening paragraph?

Mr. Aaron. You're right, you're right.

Ms. Culbreath. We were just going to list the recommendations.

Mr. diGenova. Yeah, we already said that.

Mr. Aaron. NOw, we have a recommendation that the CIA should make an effort to place a greater proportion of its officers abroad under nonofficial cover, and that recommendation is in brackets. Recommendation (a), that the CIA make a greater effort to place a greater proportion of its officers abroad, "under nonofficial cover" is in brackets.

Senator Huddleston. That relates to the Welch discussion.

Mr. Aaron. It relates to the Welch discussion and it relates to the difficulties and problems of official cover.

Mr. Bader. How do you feel about this, Joe?

Mr. diGenova. This is a problem because just like the man says, cover is a relative thing. I don't think there is anything wrong with saying that the CIA, that they should make an effort to put -- really not much of a recommendation -- should make an effort to place a greater proportion of its officers abroad under nonofficial cover, and the Agency does not see that in this form, wouldn't view that as a bad thing. They think cover is, if it is deep and effective, is okay. They just say well, their answer this way, well, you know, you don't do much work under deep, nonofficial cover, and one of the prices you pay is you don't have a lot of operational freedom. You have to work hard at your regular job and you don't do a whole heck of a lot.

The recommendation, the way it is phrased, is sort of a push to them to see if they can find better ways. It also probably tells them that maybe they should use proprietaries abroad a little more, which are very, very efficient, according to Eric, according to both things, operations and cover.

Mr. Aaron. I think we have got to be careful on this point. I mean, we ought to wait until the staff director returns because I think he has a particular interest in this suggestion, but we are talking about moving more people into unofficial cover. I would like to express my own persional reservations about that in terms of its relationship to a

number of things that the Committee has already decided to do.

Senator Huddleston. We are eliminating a lot of cover.

Mr. Aaron. That's the first thing.

Now, the second thing -- and these are nonoffocial cover categories. The second thing that we are doing is trying to place somewhat greater authority in the hands of the ambassador and the missions overseas to know what is going on. That is something that they can do when it is in their house. It is something that's extremely difficult for them to do when it is off in the forest someplace.

So it is -- and as Joe just said, it looks like a recommendation to use more proprietaries, in part because it is in the same section, but in reality because that is one of the ways they might do it, and I just wonder how much we have thought through for ourselves where the balance of our recommendations lie, particularly since most of the stuff is derived basically from operational experience anyway.

There was a period, toward the end of Mr. Bissell's career in the Agency, or maybe shortly thereafter, when they began to try to put more people in unofficial cover, and it wasn't a very good experience for them.

Mr. Kirbow. David, how does the ambassador lose control, whether it is official or unofficial, except that he has got them in his compound? It is an official government function over which he has absolute control.

Senator Huddleston. But if they keep coming to the embassy to check with him, they blow their cover, unless they do it by telephone.

Mr. Kirbow. Well, I don't think they should go to the embassy at all. I think their contact should become covert.

Mr. diGenova. Well, we're sort of caught between a rock and a hard place because we know the official cover is we cover it best .

Senator Huddleston. Well, maybe we could approach in that one way is to improve official covert

Mr. Aaron. That is the one recommendation we make here, but the limits on that are very -- they are just structural, like.

Senator Huddleston. It seems to me like we are in an area that we know a lot less about than the people who are in the business.

Mr. Aaron. That is sort of my feeling.

Mr. Kirbow. We are asking them to proscribe against anything that they can convince an oversight committee in the future is essential in the trend of that time.

Senator Huddleston. Shouldn't we say that the time has come for a whole review of cover to see whether or not they can find some better ways?

Mr. Maxwell. We might say that the first large scale study in '48 and '49 of the Agency, done by Mr. Dulles, among

others, recommended very strongly that there be more unofficial cover.

I think the Agency has been under considerable pressure throughout its existence to do that, and as Joe pointed out there are certain limits to what it has been able to do.

Senator Huddleston. Well, I think rather than suggest what ought to be more or less official or unofficial cover, the whole matter ought to be studied immediately by the Agency, and see if they can find some new ways consistent with all the restraints and prohibitions that the Committee has placed upon them.

(General laughter.)

Senator Huddleston. All right, where does that leave us here today as we close out today's session?

Mr. Kirbow. Mr. Chairman, might I suggest that in keeping with an earlier discussion today, that because it is a summary of findings as well as an introduction, that perhaps while we are nice and fresh, tomorrow we might take up the introductory section prepared by the Staff Director, so that if we change it much, we either make the rest of our --

Senator Huddleston. Have any of the other members seen it at all, Bill?

Mr. Miller. Just Senator Mathias.

Senator Huddleston. All right, do you want to meet at 10:00 o'clock in the morning?

Mr. Aaron. Are we going to terminate now?

Senator Huddleston. They've got a vote going and it's 5:10. I think we'd better.

(Whereupon, at 5:10 o'clock p.m., the Subcommittee recessed subject to the call of the Chair.)

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